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Executive Registry

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6 MAY 1987

MEMORANDUM FOR: DCI-Designate

THROUGH: Acting DCI

FROM: Executive Director

SUBJECT: Agency Commitment to External Investigations of CIA
Involvement in the Iran-Contra Situation

This memorandum is for information only--to tell you how we have organized ourselves to respond to the Iran-Contra investigations, and to give you a sense of the impact of those investigations on our activities and of the costs involved. Substantively, neither our own internal investigations nor the numerous outside inquiries already completed or now under way have turned up much in the way of illegalities. Except perhaps for two minor activities which are still under review, we have found no indications of noncompliance with Congressional restrictions on Agency support for the Contras. Moreover, no evidence has been found that any CIA employees knew about and failed to report the diversion of funds to the Contras. Although the investigations are far from over, it would appear so far that any irregularities will prove to have been the result of individual lapses, not the result of deficiencies in our fundamental structure or way of doing business.

* * *

In January 1987, in order to facilitate the investigation by officially constituted external groups of the Agency's role in, or knowledge of, the sale of military hardware to Iran, the reported diversion of associated funds to other activities, and alleged Agency contacts with private benefactors or the Contras during the period of Congressional restrictions, we established a centralized review staff comprised of representatives from all involved Agency components. Our effort has been three-pronged, with the Office of the Inspector General overseeing the Agency response to the Tower Commission, the Office of the General Counsel overseeing the response to the Independent Counsel, and the Office of Congressional Affairs handling Congressional inquiries, responses and appearances.

In addition, a Senior Review Group was established to oversee the three efforts and ensure appropriate coordination of all Agency activities in response to requests of the investigating groups. I have chaired this Review Group, which consists of the Inspector General, Deputy Inspector General, Associate Deputy Director for Operations, General Counsel, and Director of Congressional Affairs. We originally intended to meet biweekly but have found it necessary to meet two or three times a week instead--for a

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total of 33 meetings through the first week of May. Essentially, the Group tries to ensure that the left hand knows what the right hand is doing here at Headquarters to support the investigations. In a substantive sense, we have helped ensure that the investigating groups get whatever they need as quickly as possible--without risking public disclosure of sensitive sources and methods. We think we have succeeded so far. We have also avoided subpoena and the appearance of non-cooperation on the part of the Agency.

The effort has been monumental and continuing. To date, hundreds of thousands of documents have been reviewed by the four Directorates for relevance and source sensitivity. Out of this, nearly three hundred thousand pages have been reviewed here at Headquarters by staffers of the Office of the Independent Counsel (OIC) and the two Select Congressional Committees. OIC determined that some 50,000 pages were relevant to their needs--22,731 pages of which OIC subsequently (as of 17 April) requested be transferred to its offices downtown. All of this material was reviewed for sources and methods reasons, and more than half of it had to be redacted by our people prior to release in order to protect sources and methods. A similar but somewhat more focused effort is under way in support of the Congressional Committees, and more material is being processed daily.

Through mid-April, this work involved more than 600 Agency employees--in more than 22,000 regular and 4,500 overtime hours (more than 800 of them uncompensated)--and at least \$200,000 in equipment costs, overtime pay, and the expense of bringing more than a dozen officers back from Europe and Central America to be interviewed. A new data system had to be developed to keep track of the flow of documents. At several points along the way, the reproduction effort saturated the Agency's photocopying capability. Although all Directorates have been affected, the burden has fallen most heavily on the Near East and Latin American Divisions in the Operations Directorate, and the Offices of the General Counsel, Congressional Affairs and Inspector General. The operations and personnel of our Central American Task Force probably have been the most seriously burdened, both at Headquarters and in the field. Operationally, the investigations have caused a slow down in a number of Agency activities, the closure of one proprietary, and a cooling in relationships with foreign intelligence services, Central American governments, and cooperative private individuals and corporations.

With Grand Jury hearings in the early stages and Congressional hearings just getting under way, there is more to come. In particular, the questions of public testimony by Agency employees and the extent of access to liaison (foreign intelligence service) reporting by the OIC and the Committees may still be troublesome. None the less, our experience to date leads us to believe that these and other such issues can be resolved equitably--with continuing effort and commitment by all concerned.

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